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Dan Smoot Report

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THE WELFARE QUAGMIRE

About six million Americans were on welfare in 1958; more than nine million in 1968 — a 50% increase.[1] These statistics do not include more than a million people employed in tax-financed, make-work projects of the poverty war program; more than a million drawing unemployment compensation; more than 20 million drawing social security benefits.[2] During this period when national welfare rolls increased 50%, federal spending on welfare increased 210%; but the total population increased only 10%.

The most dangerous increase is in AFDC reliefers. AFDC means Aid to Families with Dependent Children, a program created by the Social Security Act of 1935. It is financed by federal and state governments on a "matching-fund" basis — the federal government putting up, on an average, about $1.8 of tax money for every $1.5 put up by state (and/or local) governments. In 1958, 2.8 million people were receiving tax money in the AFDC program; 6.1 million in 1968 — a 111% increase. About 46% of all AFDC recipients are Negroes, though Negroes constitute only 12% of the total population.[1]

These enormous increases in relief rolls occurred in a period when employment opportunities were unusually abundant.

President Nixon says the federal government alone has spent more than a quarter of a trillion dollars (more than $250 billion) on social programs — just in the past five years.[3] *The Statistical Abstract of the United States: 1968* (published by the U.S. Bureau of the Census) indicates that *federal* "social welfare expenditures" totaled about $270 billion in the past five years, and that state and local government spending on social welfare totaled about $240 billion.

Some 510 billion (more than half a trillion) tax dollars have been spent on social welfare in five years.

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How much good has been done by this pillaging of taxpayers? None at all! In fact, it has done more harm than good, as President Nixon says:

"Yet far from solving our problems, these expenditures . . . reaped a harvest of dissatisfaction, frustration and bitter division.

"Never in human history has so much been spent by so many for such a negative result."

Here are other Nixon comments about our welfare system:[3]

"We have been on a road for a long time that is leading us to disaster."

"Millions of families . . . [are] locked into a welfare system for generations."

"A welfare system is a failure when it takes care of those who can take care of themselves . . . when it breaks up families, when it perpetuates a vicious cycle of dependency. . . .

"America's welfare system is a failure that grows worse every day. . . .

"Since 1960, welfare costs have doubled."

"[Yet] the poor have generally become poorer. . . ."

"The . . . welfare system has added to social unrest. . . .

"The situation has become intolerable."

"Whether measured by the anguish of the poor themselves, or by the drastically mounting burden on the taxpayer, the present welfare system has to be judged a colossal failure.

"Our states and cities find themselves sinking in a welfare quagmire, as caseloads increase, as costs escalate, and as the welfare system stagnates enterprise and perpetuates dependency.

"What began on a small scale in the depression 30s has become a monster in the prosperous 60s. The tragedy is not only that it is bringing states and cities to the brink of financial disaster, but also that it is failing to meet the elementary human, social, and financial needs of the poor.

"It breaks up homes. It often penalizes work. . . . And it grows."

"The most glaring inequity in the . . . welfare system is. . . . [that] families headed by a non-worker often receive more from welfare than families headed by a husband working full-time."

"[We must stop] our dangerous decline into welfarism. We cannot produce productive people with the antiquated wheezing, over-loaded machine we now call the welfare system. . . .

"If we merely try to patch up the system here and there, we will only be pouring good money after bad in ever-increasing amounts."

"The cost of continuing the present [welfare] system, in financial as well as human terms, is staggering."

"We cannot legislate our way out of poverty; but this nation can work its way out of poverty. What America needs now is not more welfare but more workfare."

"I propose that we abolish the present welfare system and adopt in its place a new family assistance system."

All quite true — yet, President Nixon's proposals would magnify and multiply the deplorable conditions he mentioned.

Nixon's Family Assistance Program would triple or quadruple the relief rolls; and the rolls would grow faster in the future under FAP than they have been growing under AFDC.

Under Nixon's plan, "working poor" families would be put on welfare, in addition to all non-working reliefers already on it. Nixon says there are more than 2 million "working poor" families. That is a guess. It is impossible to *know* the number — or size — of such families.

Government would classify a family of ten, with one or more members employed and with a total annual income of $5000, as working poor

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— but would not so classify a family of three with the same income. Thus, many are working poor, not because of modest income, but because they have families too large to live well on a modest income. Hence, many — if not most — families added to relief rolls as working poor will be large families. A family of six which may not be classified as working poor this year, may become a family of seven and qualify for relief next year.

Nixon (alarmed by growing relief rolls) would instantly increase the relief rolls from 9 million to perhaps 30 million. The numbers of reliefers would grow as family-size and government-caused inflation grew. One of the continuing causes of inflation would be the continuing growth of government welfare spending.

Nixon says:

"The costs of welfare benefits for families with dependent children have been rising alarmingly the past several years, increasing from $1 billion in 1960 to an estimated $3.3 billion in 1969, of which $1.8 billion is paid by the federal government. . . .

"The proposals I am making . . . will increase federal costs during the first year by an estimated $4 billion."

Nixon would decrease welfare costs by multiplying them!

The President says his plan would cost *more immediately*, but *less in the future*, because it would move people off welfare and on to workfare.

The slogan is deceptive.

The *intent* of the *present* AFDC program is to deny welfare to able-bodied adults who refuse to accept available employment.

The AFDC section in the social security law prohibits a family from getting welfare if the father lives with his family — the principle being that a man living with his family ought to work and support it. Nixon would abolish this prohibition, because it encourages fathers to desert their families. Nixon says the welfare family should be given a guaranteed annual income, but the head of the family will be denied *his portion* if he refuses "to accept . . . work or training, provided suitable jobs are available either locally or if transportation is provided." How could the government prohibit a man, who is living with his family, from sharing his family's welfare benefits?

Note, moreover, that Nixon says jobs must be suitable and conveniently located. What is a suitable job? Nixon says he means not "just any job," but a "good job." Under Nixon's scheme, a reliefer who prefers welfare to work need merely assert that no good, suitable, convenient job was offered him.

If every person, who cannot get a job he considers desirable, gets a guaranteed annual income (as Nixon plans), who will do undesirable work that *someone* must do in every society? Everyone cannot start at the top.

In a free society, the young, inexperienced, and unskilled hold less desirable jobs — which provide training (financed by employers, not taxpayers). Those with ability and willingness to work, graduate to better jobs, leaving their old ones to newcomers, who, in their own time and by their own efforts, move up.

Under the present AFDC system, there is a vast army of social workers who investigate to determine whether welfare applicants are entitled to welfare — to find out how much income they have, what their needs are, whether they are refusing available work. Much of the tax money spent on welfare does not go to the poor, but to pay the costs of the welfare bureaucracy. President Nixon says that, under the present system, about 40 per cent of the welfare payroll (in one state, at least — Ohio) goes "for the purpose of filling out the federally required forms."

Such a system is, of course, monstrous and costly. But the Nixon system would be infinitely worse. Nixon would do away with investigations of welfare-applicants and reliefers. He says such

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investigations are "demeaning." Under his Family Assistance Program, a person could go on welfare by merely filing a certification of income. If a later spotcheck revealed that he had lied, he could be removed from welfare and prosecuted.

With some 30 million (or more) reliefers on welfare, relatively few certifications could be spotchecked.

The spotchecking itself; preliminary investigations of certifications that seemed to be fraudulent; full investigations of those which proved to be fraudulent; and prosecutions that would follow — all of this would cost taxpayers more than it would cost to leave on the welfare rolls the relatively few who would thus be exposed and removed.

We cannot even begin to get out of the welfare quagmire (as President Nixon accurately calls it, while proposing to make the morass worse), without first getting the federal government completely out of the welfare business.

The Constitution grants the federal government no power to dispense welfare, to help states pay for welfare, to regulate state and local welfare operations, or otherwise to engage in welfare activities. The first sentence of the first article of the Constitution makes it quite clear that the federal government has no valid powers except those specifically granted in the Constitution. And the last article of the Bill of Rights (the Tenth Amendment) says that all powers not specifically granted to the federal government are reserved to the states or to the people thereof.

Clearly, all federal activities in the welfare field are unconstitutional — illegal.

Even if we ignore the illegality of it, federal welfare makes no economic sense. The federal government has no money except what it takes away from the people. Confiscate money from the people, haul it to Washington, take a heavy percentage for extravagantly clumsy and wasteful federal administration, and send a portion back as aid?

The constitutional way to solve the welfare problem is to leave the money with the people who earned it — which would mean reducing federal taxes by the amount the federal government now spends on social programs (more than $50 billion a year, according to President Nixon).

The people who earn that $50 billion a year could then use it to take care of themselves, and have enough left over for private help to neighbors in distress, and for payment of local and state taxes to finance such public welfare programs as the people decide should be handled by local and state governments.

NEXT WEEK: More about the incredible contradictions in President Nixon's incredible welfare proposals.

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FOOTNOTES

(1) *Congressional Quarterly Weekly Report*, Aug. 15, 1969, p. 1485
(2) *U.S. News & World Report*, July 17, 1967, pp. 44-47
(3) All Nixon comments on welfare, quoted or referred to herein, are taken from his August 8, 1969, TV speech on welfare reform; his August 11 Welfare Reform Message to Congress; and/or his September 1 speech to the 1969 National Governors Conference.

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